

September 20, 2016

Dear Members of the Senate Economic Development and International Investment Committee,

I would like to take this opportunity to thank Senator Horn, as the sponsor of SB 1026, for his active engagement with the League and our member communities while developing this legislation.

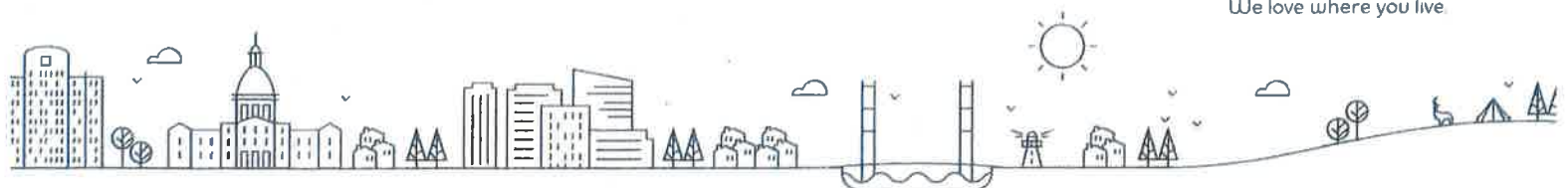
Downtown development authorities and other tax increment financing authorities are the economic drivers and, in many cases, the sole funding mechanism aimed at restoring and maintaining the vibrancy of communities across our state. With the very limited economic development tools the state has made available to local units, it is critical that TIF authorities continue to play a key role in creating and sustaining vibrant places that attract and retain investment, business and talent!

The substitute S-1 before you today includes many suggestions from the League and our member communities that attempt to address concerns of duplicative reporting requirements and providing unnecessary documentation. While these are important changes there are a few remaining items we would like to bring to the committee's attention. Additional requirements placed on these authorities and their authorizing municipalities may not seem burdensome, but they are. More is being required of our local governments with fewer resources and staff to comply with these new requirements, some of which have uncertain value.

Our members have raised concerns on what will be done with the annual reporting. Currently DDA's are required to submit an annual report to the State Tax Commission at the Department of Treasury. There is not a formal reporting document nor Treasury staff reviewing these already required reports when submitted. This legislation does authorize the department to prescribe the form and manner in which an authority shall submit its annual report, but there is no timeframe as to when Treasury shall institute procedures or a form for this reporting. Municipalities support transparency and reporting when there's a purpose to the data being requested, as well as reasonable oversight and a tracking mechanism for the reports. We feel additional discussions on the adequacy and purpose of all the reporting requirements in this bill is necessary as well as a more defined role and timeframe for Treasury's involvement.

Further responsibilities are also being placed on the authorities and authorizing municipalities to provide the other taxing jurisdictions with an authority's plans, financials and activities. This requirement is included in the new language despite the lack of broad engagement by these other taxing jurisdictions in many communities, where all of the requested information is already readily available. This bill is shifting the burden of notification onto staff with an already limited capacity and

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creating layers of duplication when the other taxing jurisdictions already have access to the information...they just need to ask.

We acknowledge and appreciate all of the work that has gone in to this legislation. The sponsor has truly taken a reasoned and well thought out approach to the development of the language in this bill. While the above stated concerns preclude us from supporting the bill and necessitate our current neutral position, we look forward to continuing to work with the sponsor and the committee to address these issues.

Thank you for your consideration,

J. Rigterink

Jennifer Rigterink
Legislative Associate
Michigan Municipal League
Office: 517-908-0305
jrigterink@mml.org



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